



MARYLAND HEALTH CARE COMMISSION
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MARYLAND HEALTH CARE COMMISSION

Thursday, May 15, 2008
Minutes

Chair Moon called the meeting to order at 1:00 p.m.

Commissioners present: Conway, Falcone, Jefferson, McLean, Moore, Ontaneda-Bernales, Petty, Sensabaugh, and Todd.

ITEM 1.

Approval of the Minutes

Commissioner Falcone made a motion to approve the minutes of the April 17, 2008 meeting of the Commission, which was seconded by Commissioner McLean, and unanimously approved.

ITEM 2.

Update of Activities

Bruce Kozlowski, Director of the Center for Health Care Financing and Policy, provided an additional update to the Commission. Mr. Kozlowski said that staff coordinated a meeting with key representatives of the National Business Group on Health (NBGH) and, as a result of the meeting, he was asked to serve on the Racial/Ethnic Health Disparities Advisory Board. He provided a list of members of the Advisory Board. Mr. Kozlowski said that staff created a Racial and Ethnic Disparities Work Group to address the collection and reporting of Maryland specific race and ethnicity data and will share that data with health plans. He also provided a list of individuals invited to form that Work Group.

David Sharp, Center Director for Health Information Technology, said the HSCRC voted in favor of adopting the MHCC recommendation to fund the Chesapeake Regional Information System for our Patients (CRISP) and the Montgomery County HIE Collaborative to develop a planning report for implementing *A Citizen Centric Health Information Exchange for Maryland*. He also mentioned that the Governor's office issued a press release announcing the planning awards and noted that the Governor expects to host a Health IT Summit later this summer.

ITEM 3.

ACTION ON MOTION: Appeal of Dynamic Visions Regarding Reviewer's Decision to De-Docket Certificate of Need Application Proposing Establishment of a Home Health Agency in Montgomery County

Chair Moon provided background information concerning the appeal of Dynamic Visions regarding the Reviewer's decision to de-docket its Certificate of Need application which proposed the establishment of a home health agency in Montgomery County. She said Commissioner Todd, the reviewer in the Montgomery County Home Health Review, decided to de-docket three of the twenty-one applications. She noted that Dynamic Visions was the only home health agency that filed a motion to overturn Dr. Todd's decision. Dr. Moon said the motion was originally scheduled to be heard by the Commission in March; however, Christopher Hostage, counsel for Dynamic Visions, requested a continuance to the April meeting and Dr. Cowdry granted that request. Subsequently, Mr. Hostage requested an additional continuance to May, and that request was denied and the matter remained on the April agenda. Dr. Moon said that Mr. Hostage requested the postponement because Isaiah Bongam, CEO of Dynamic Visions, would be in China. Since the request was denied, Dynamic Visions requested that its accountant and financial advisor be permitted to address the Commission, and Dr. Cowdry granted that request; however, no one appeared on behalf of Dynamic Visions last month. Mr. Bongam provided his argument on Dynamic Visions' motion and Commissioner Todd presented his position. Following the hearing, Commissioner Todd made a motion to sustain the de-docketing of Dynamic Visions' Certificate of Need application, which was seconded by Commissioner Sensabaugh and unanimously approved.

ACTION ON MOTION: The Appeal of Dynamic Visions to Overturn the Reviewer's Decision to De-Docket its Certificate of Need Application to Establish a Home Health Agency in Montgomery County is hereby DENIED and the Decision of the Reviewer De-Docketing the Application is AFFIRMED.

ITEM 4.

FINAL ACTION: COMAR 10.25.04 – Hospital Quality and Performance Evaluation System

Theresa Lee, Chief, Hospital Quality Initiatives, presented for final action regulations on the Hospital Quality and Performance Evaluation System, which the Commission adopted as proposed permanent regulations at its February public meeting. She said the regulations reflect new data that the Commission plans to add to the Hospital Guide, and establish a formal process for notifying hospitals of planned data reporting requirements. Ms. Lee said the proposed regulations had been published in the *Maryland Register* and that no comments were received. Staff recommended that the Commission adopt COMAR 10.25.04 – *Hospital Quality and Performance Evaluation System* as final regulations. Commissioner Conway made a motion to adopt the regulations, which was seconded by Commissioner Moore and unanimously approved.

ACTION: COMAR 10.25.04 – Hospital Quality and Performance Evaluation System, is hereby ADOPTED as Final Regulations.

ITEM 5.

PROPOSED AND EMERGENCY ACTION: COMAR 10.25.01 – Small Employer Health Benefit Plan Premium Subsidy Program

Chair Moon said that Dr. Cowdry provided the Commission with an update on the implementation of the Small Employer Health Benefit Plan Premium Subsidy Program at the March public meeting. She noted that he also presented the proposed design and eligibility criteria for the Premium Subsidy Program. Dr. Cowdry presented COMAR 10.25.01 as both proposed and emergency regulations that would implement the Premium Subsidy Program. He said that the Commission released draft regulations for informal public comment on April 23, 2008, and held a public informational meeting on the draft regulations on May 1, 2008. He summarized the informal public comments and the proposed initial program design factors to implement the Premium Subsidy Program. Dr. Cowdry recommended that the Commission adopt the regulations as both emergency and proposed permanent regulations. Commissioner Todd made a motion to approve the staff recommendation, which was seconded by Commission Jefferson and unanimously approved.

ACTION: COMAR 10.25.01 – Small Employer Health Benefit Plan Premium Subsidy Program is ADOPTED as Proposed Permanent and Emergency Regulations, and the proposed initial design factors are hereby APPROVED.

ITEM 6.

PRESENTATION: Small Group Market: Summary of Carrier Experience for the year ending December 31, 2007.

Janet Ennis, Chief, Small Group Market, briefed the Commission on the annual financial surveys of carriers participating in the small group market for calendar year 2007, including such information as average premiums, covered lives, and the number of employer groups purchasing coverage in the small group market. Ms. Ennis noted that the surveys also included demographics on age and geography which, as a result of the passage of HB 339 during the 2007 legislative session, carriers are now required to submit to the Commission. Ms. Ennis also discussed the basic provisions of the Comprehensive Standard Health Benefit Plan (CSHBP), including the income affordability cap, which is set in statute at 10% of the average annual wage in Maryland. She reported that the overall cost of the CSHBP for calendar year 2007 was estimated at 86% of the affordability cap, which captures the full effect of the changes that became effective July 1, 2004, and seven-eighths of the changes that became effective July 1, 2006. She discussed the employer groups by plan type, indicating that the number of enrolled employer groups increased approximately 5% from 2006 to 2007. Ms. Ennis also reported an increase in the overall percentage of small businesses participating in the CSHBP from 39.5% in 2006 to 41.4% in 2007, with a slight decrease in the overall number of covered lives in the CSHBP. Commissioner McLean asked if staff could provide any details regarding the type of riders being purchased by small employers. Ms. Ennis responded that staff did not have this information, but would pursue this issue with the carriers and report back to the Commission.

ITEM 7.

PRESENTATION: 2005-2006 Practitioner Utilization: Trends Among Privately Insured Patients

Linda Bartnyska, Chief, Cost and Quality Analysis, presented the principal findings of the report entitled *“Practitioner Utilization, Trends Among Privately Insured Patients, 2005-2006.”* Ms. Bartnyska said the annual report summarizes the trends in the volume and pricing of services of physicians and other practitioners received by privately insured and nonelderly residents of Maryland. She outlined the following major findings:

- Per-user fee-for service spending on practitioner services rose about 4% in 2006 to \$941 from \$904, which is slightly below the 5% increase in total per capita spending for the privately insured, as reported by the Commission in January 2008.
- Geographically, per-user spending remains highest in the National Capital Area at \$1,000 and lowest in rural Maryland at \$878. Per-user spending grew about 4% percent in the Baltimore metropolitan area to \$929, compared to a 6% increase in rural parts of the state and 3% in the National Capital Area.
- The two payers with the largest market share (CareFirst and United Health Care), and other payers, paid about the same amount per-user for practitioner expenses in 2006, \$1,041 versus \$1,602. Users insured by large payers received about 13% more covered services and practitioners were reimbursed on average about 16% less per standard unit of service by large payers.
- The consumer-directed health plans now offered by all major carriers continued to grow, with their share of users almost doubling in 2006. However, consumer-directed health plans accounted for just under 2% of all users. Individual users had lower average documented disease risk, which was likely to lead to lower practitioner utilization compared to all users.

Ms. Bartnyska informed the Commissioners that the full report is posted on the Commission’s website and printed copies would be mailed to all Commissioners the following day.

ITEM 8.

ADJOURNMENT

There being no further business, the meeting was adjourned at 2:25 p.m., upon motion of Commissioner Ontaneda-Bernales, which was seconded by Commissioner Jefferson and unanimously approved.